resorting to large-scale tax evasion. During search incriminating evidences have been found showing tax-evasion and luxurious life styles led by the directors and key persons in the group. Total seizure of unexplained assets was of Rs. 450.66 lakhs.

Avoidance of Customs Duty by ESSAR Steel

4298. SHRI BHAGABAN MAJHI: Will the Minister of FINANCE be pleased to state:

(a) whether ESSAR Steel has manipulated the purchase of sponge iron manufacturing plant to avoid customs;

(b) if so, the details thereof; and

(c) the action Government propose to take against the company, including levy of penalty for willful delay in payment?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) to (c) M/ S. ESSAR Steel imported sponge iron manufacturing plant in respect of which recalculation of valuation was done by Customs in accordance with the judgement passed by hon'ble Supreme Court by adding 14.41 million DM paid by the importer on account of processing licence fees, technical, engineering and consultancy fees etc. Total Customs duty recoverable after recalculation of the value is Rs. 10.63 crores plus 5.96 crores as interest for the period 28.10.91 to 30.4.97. The party has been directed to pay the said amount failing which action under the Customs Law would be initiated.

Reimbursement of expenditure for receiving of pay scales for State Governments

4299. SHRI SATISH AGGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government have received any memoranda/representations from various State Government regarding reimbursal of additional expenditure that they will have to incur on account of revision of pay scales of their employees after implementation of the report of Fifth Pay Commission;

(b) if so, whether Government would consider their demand sympathetically; and

(c) whether Government have advised the State Governments to set-up such pay commissions for their employees; if so, the response of various State Governments?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) Yes, Sir.

(b) It is for the State Government to provide for salaries of their employees.

(c) No, Sir, State Governments are free to decide on matters of revision of the salaries of their employees and to appoint pay commission as and when they deem it appropriate.

Fiscal Concessions to private institutions

4300. SHRI M.D. SALIM: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that for the last few years, private institutions which are engaged in medical research, rather than simple health care and related medical activity, have been the beneficiaries of a range of Government fiscal concessions;

(b) whether the so called 'research activity' entitles the particular institutions to tax breaks, to the import of equipment from abroad, either duty-free or at substantially reduced tariffs, and to a variety of other incentives and concessions; and

(c) if so, what steps Government propose to take against this enormous Government subsidy in the health system for private profiteering?